

CAMPAIGN '92 / FIRING UP MAIN STREET

ELECTION VOTES

Gore Turns Up the Heat, Reviving Iran-Contra

PITTSBURGH — In his sharpest and most personal attack on President George Bush since being selected as the Democratic vice-presidential nominee, Senator Al Gore questioned the president's explanation of his role in the Iran-contra affair, stopping just short of calling him a liar.

On Aid for Florida, Clinton and Bush Agree

HOMESTEAD, Florida — Bill Clinton, touring this city and other areas devastated by the hurricane last week, carefully avoided criticizing George Bush for his response to the disaster while matching him in promising help.

For Gay Republicans, a Chance to Fight Back

AUSTIN, Texas — Paul von Wupperfeld calls it "the second closet" — an added dimension of difficulty in coming out into society not just as a gay person but as a gay Republican.

Quote-Unquote

Bill Clinton, saying President George Bush flip-flopped by increasing wheat export subsidies: "Now, I'm a Baptist, so I believe in death-bed conversions, but this is amazing."

Away From the Hustings

A blue-ribbon citizens panel headed by Arthur S. Flemming, health secretary in the Eisenhower administration, has called for increased benefits and other changes in a federal program assisting 1.5 million elderly poor and 2.9 million blind and disabled people.

Bush, Stroking the Small-Business Vote, Calls for Tax Cuts

FREDERICKSBURG, Virginia

President George Bush said Friday that he wanted to cut taxes and regulations on small businesses, warning small-town merchants that Bill Clinton's policies "threaten to tax and spend and regulate you right out of business."

Mr. Bush visited this Republican stronghold, about 50 miles (80 kilometers) south of Washington, to deliver a street-corner speech meant to put his pro-business sentiments on display.

He used the occasion to sign a bill authorizing an increase in the amount of Small Business Administration loan guarantees from \$100 million in 1993 to \$700 million by 1997.

Hurricane Also Turned Kids' World Inside Out

By Isabel Wilkerson New York Times Staff Writer. HOMESTEAD, Florida — When the hurricane cut through Donna Melvin's apartment here and the windows broke and the water rushed in and it felt like the world was ending, Quentin, her 3-year-old son, quivering in her arms, turned to her and cried: "Mommy, make the lion stop. I don't want us to die."

Mr. Bush said Mr. Clinton wanted to increase government spending by \$220 billion and impose \$150 billion in new taxes.

Mr. Clinton has advocated spending \$220 billion on new public-works programs, education and tax cuts for families by 1996. He has also proposed raising the tax rate for the top 2 percent of wage earners and placing a surtax on incomes over \$1 million.

Mr. Bush said Mr. Clinton's health-care program would be a burden on small businesses. Mr. Clinton backs a "play or pay" program that would require employers to provide coverage for their workers or pay into a pool to cover the uninsured. Every American would have access to a basic health care package under Mr. Clinton's plan.

Mr. Bush said a study by the independent Urban Institute concluded that Mr. Clinton's plan would lead to a 7 percent payroll tax for businesses who did not "play the government's game."

He said such a tax would eliminate 700,000 jobs.

At the hardware store, Mr. Bush brushed aside reporters' questions about whether his recent announcements of government spending on the campaign trail had left the appearance that he was buying votes.

In South Dakota, Mr. Bush stressed disaster relief and export subsidies to farmers, and in Texas he announced approval for a \$6 billion military jet deal with Taiwan.

In nearly any setting on the campaign trail, Mr. Bush takes pains to portray his economic policies as favorable to small business and Mr. Clinton's as dangerous to small business.

Mr. Clinton has asserted that the Bush campaign is distorting his economic plan.

The Arkansas governor says, for example, that his health care plan would be less costly to business than the Bush plan. Mr. Clinton proposes to move gradually to universal access to basic medical coverage through employer or public programs. He would begin by controlling costs through reduced paperwork, and cracking down on drug and insurance company practices.

As costs dropped, companies would be required to insure their employees — with federal assistance in the early years of the transition to help them meet their obligations.

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Murphy Brown Plots Her Rebuttal

By Andrew Rosenthal New York Times Staff Writer

WASHINGTON — This fall, the nation will witness the comeback of the 1990s: Murphy Brown gets her say. Scheduled for Sept. 21, the first episode of the television situation comedy, in which Candice Bergen plays the news anchorwoman, takes Vice President Dan Quayle's life-imitates-art oratory one step further, according to a script marked "final draft" that was provided by a Republican strategist here who said he got it from a friend in Hollywood.

Like something out of "Roger Rabbit," the show's producers mix television footage and headlines with their fictional world. "What? Did you hear that?" Ms. Brown shouts after watching a broadcast of Mr. Quayle denouncing her decision to bear a child out of wedlock as "glamorizing" unwed motherhood. "Did you hear what he said about me?"

"What was that crack about 'just another lifestyle choice'?" she goes on. "I agonized over that decision. I didn't know if I could raise a kid by myself. I worried about what it would do to him. I worried about what it would do to me. I didn't just wake up one morning and say, 'Oh, gee, I can't get in for a facial so I might as well have a baby.'"

Her friend Frank reassures her, telling her to consider the source. "Tomorrow, he'll probably get his head stuck in his golf bag and you'll be old news," he says. But she is not. The next day, her television office is besieged by reporters.

Corky, the news team's straitlaced, corn-fed, yuppie staff member, is confused. "I was raised to believe that if you had a child out of wedlock, you were bad," she says. "Of course, I was also raised to believe a woman's place was in the home, segregation was good and presidents never lie."

Ms. Brown breaks away from maternity leave to respond on camera to Mr. Quayle. "If there are those who choose to view me as a role model, I would hope to be seen as someone who tries to do her best, sometimes makes mistakes and when she does, accepts responsibility for them," she says. "I would ask the vice president to do the same."



Bill Clinton visiting with hurricane victims and aid workers in Florida City.

from exposure to an event outside the normal realm of experience.

"We are seeing crying spells; we are seeing nightmares," said Dr. Jeffrey T. Outerman, a Fort Lauderdale family therapist who has volunteered to counsel hurricane victims.

"It is the death of things the way you know it," said Pamela Scott Matthews, director of outpatient services at Charter Hospital in Miami, which is providing free counseling to victims. "There's going to be a mourning."

As many hurricane victims move beyond the initial gratification of being alive, reality is setting in. And many children are beginning to replay in their minds the night they huddled in closets while walls and ceilings caved in, the night when, as Pedro Horta said, they were "praying and asking every single saint to stop it."

Many younger children who seemed oblivious to the hurricane's larger implications have become more aggressive and fearful, impatient with the lines and the heat.

"Before you're in line they're fighting," Ms. Melvin said. "While you're in line they're fighting. And when you get out of line they're fighting."

what was going on. "They said, 'Mommy, you're stealing,'" Ms. Melvin recalled. "I had to tell them, 'We don't have any grocery stores. We don't have anyplace else to get our food. This is O.K.' But I'm worried that if this lasts too long they'll think they can just go into a store and take what they want."

The Hernandez children have no toys, no playgrounds, no cartoons. So they sit and bounce on a metal lamppost that the hurricane bent horizontal.

"It's something to play with," said Mario, Jananne's 10-year-old brother. "It's the only thing we've got."

Advertisement for the International Herald Tribune (IHT). It lists major global events: The dollar crisis, The U.S. election, Civil war in Yugoslavia, Face-off over Iraq, Maastricht ratification, and The global recession. It states that these events affect all our lives and asks if the reader should be following them daily in the IHT. The ad offers a 46% discount on the newstand price. Call for toll-free numbers in France, Germany, and Switzerland. A coupon for the subscription is provided below.

U.S. Gun Lobby Using L.A. Riots as a Weapon

By Bob Sipchen Los Angeles Times Service

LOS ANGELES — The advertisement shoots for the gut. "AS VIOLENT MOBS ADVANCED, police were ordered to retreat," it reads. "TERRIFIED AND ABANDONED, L.A. citizens raced to gun stores to buy firearms to protect themselves. But their GOVERNMENT HAD ABANDONED them years ago."

Accompanied with color photos of burning buildings and looters, a four-page advertisement for the National Rifle Association of America in the September issues of 28 magazines, makes its point bluntly: "We said gun control is wrong, and L.A. PROVES IT."

Laid out like a cut-and-paste ransom note, the advertisement focused on readers' worst urban fears. Frightened citizens who hoped to buy guns during the riots were turned away, it says, but "the criminals were denied nothing, waited for nothing."

"They killed who they wanted, stole what they wanted, vandalized what wasn't stolen, and burned to the ground what was left," it says. Jim Baker, the association's chief lobbyist, said the advertisements were aimed at those among the nation's 60 million gun owners who have not joined the 2.9 million people already in its ranks.

"It's a wake-up call to American gun owners who are not involved and not active in efforts to preserve their rights," he said.

Advertisement for Kitty O'Shea's Paris-Dublin-Bruelles. It lists addresses in Brussels, Paris, and Vienna, along with phone numbers and services like private rooms and music.

Advertisement for La Petite Chaise restaurant in Paris. It describes the cuisine as a delicacy of the old restaurant in Paris, Menu 2700 F. It also lists other Paris restaurants like Thoinieux and Le Western.

Advertisement for La Colombe restaurant in Paris. It features 17th-century house, classical music, and a view on Place Vendôme. It also lists La Boutique D'Or and Chez Fred.

Advertisement for La Meo Patacca restaurant in Rome. It offers traditional Roman food, fine wine, and a view on Piazza del Campo. It also lists the Kervansaray in Istanbul.

Advertisement for Yugara restaurant in France. It is held at the best location in France, near the leading guides for condominiums, 14, rue Dauphine, T. 43.24.47.

Subscription table and coupon for the International Herald Tribune. The table lists subscription rates in various currencies (A.S., B.F., D.K., F.F., G.M., L.F., N.L., N.M., S.K., S.W.) for 12, 6, and 3 months. Below the table is a coupon to request a subscription, including fields for name, address, and city. The coupon is dated 5-9-92.

Vertical text on the far left edge of the page, including fragments like "WORLD BRIEFS", "Saddam Offensive", "Drops in West Bank", "Vote on Constitution", "Protest Shortages", "Start New Strike", "Sustained Relief Effort".

Zhivkov, Ex-Bulgarian Leader, Is Sentenced to 7-Year Term

Compiled by Our Staff From Dispatches

SOFIA — Todor Zhivkov was found guilty Friday of crimes during his 35 years as Bulgaria's Communist leader and sentenced to seven years in prison.

He is the first former East bloc leader to be judged by a post-Communist court. He was convicted by a panel of judges on a 4-to-3 vote.

Mr. Zhivkov, 81, was found guilty of misappropriating state property by providing cars, apartments and villas to other Communist officials. He was also found guilty of embezzling about \$1 million and was ordered to repay it.

Mr. Zhivkov, who had scorned the court proceedings as politically motivated, remained defiant after the conviction.

"This was a fabricated trial," he said. "Only the Bulgarian people could pass judgment on my activities, not a court."

Both the defense and the prosecution said they would appeal Mr. Zhivkov's sentence. Prosecutors had sought a 10-year prison term.

A former Zhivkov aide, Milo Balev, was found guilty of illegal currency transactions and sentenced to two years.

The verdict was read by Chief Judge Stefanka Stoyanova on behalf of the seven-member panel of professional and lay judges. Three of the judges had dissenting opinions, which they were to publish within a month.

Mr. Zhivkov faces separate charges of inciting ethnic hatred through the forced assimilation of Bulgaria's ethnic Turk minority, of creating concentration camps and of embezzlement and misappropriation of state property. No trial dates have been set.

Mr. Zhivkov, who molded Bulgaria into the most loyal of Soviet allies, was the first former East bloc leader to be tried by a regular post-Communist court.

The trial of the former East German Communist leader, Erich Honecker, on manslaughter charges could start next month. He is charged with ordering border

guards to kill persons trying to escape to the West. Nicolae Ceausescu of Romania was summarily tried and executed during that country's December 1989 revolution.

Mr. Zhivkov resigned under pressure from change-minded Politburo members in late 1989, which opened the way to democratic elections in June 1990. The anti-Communist Union of Democratic Forces now governs and the Socialist Union, formerly the Communists, are the opposition.

His tenure, from 1954 to 1989, was the longest of any Soviet bloc leader. Bulgaria under him neared lockstep with the Kremlin until the late 1980s, when Soviet dogmatism began to ease under Mikhail S. Gorbachev.

Nationalists seeking to dislodge Bulgaria from its increasingly tight Soviet orbit staged an abortive coup in 1963. Commenting on Soviet-Bulgarian relations afterwards, Mr. Zhivkov declared he was "with the Soviet Union for life or death." (AP, Reuters)



An asylum-seeker peering through the gate of a crowded refugee center Friday at Schwabach, near Frankfurt.

Clashes Persist Against Refugees In German East

POTSDAM, Germany — Rightist radicals attacked refugee shelters in at least three East German towns overnight, the police said Friday. The most serious attack took place in Eisenhüttenstadt, about 180 kilometers (110 miles) east of Berlin, at a central refugee reception center where about 60 nightclubs began battling with police shortly after midnight. Some 200 police and special border troops fought off the stone-throwing crowds in two hours of clashes that demolished five police vehicles, the authorities said. One police officer suffered a leg injury, and three rioters were arrested. In other disturbances, the police in Lubben, west of Cottbus, said assaults threw a firebomb at an asylum shelter. Residents of the building put out the blaze and no one was injured. A small group also threw firebombs at an unoccupied building in a compound for asylum-seekers at the town of Bielefeld, north of Berlin, the police said.

PLANE: Missile Was Responsible

(Continued from page 1) willing to escort air humanitarian convoys," he said. At the crash scene Friday, where United Nations troops recovered the bodies of the four-man Italian crew, witnesses said they saw a missile strike the plane and take off a wing. They said the plane went into a spiral and crashed. The plane went down in good weather, without radioing for help or giving any indication that it was having mechanical difficulties. The international relief flight into Sarajevo has been suspended pending the findings of an investigation into the crash. Several local witnesses interviewed in the crash area told UN personnel that they had seen two missiles fired at the plane, according to UN sources in Geneva. "If the airplane was shot down, as is assumed now," he said, "it will close the airport for a longer period of time and it may result in better protection for flights and for truck convoys."

He said the escorts could be provided either by fighter jets or helicopters, or by troops moving on the ground to clear "an air corridor of all heavy weapons that may shoot at a plane."

"The latter is my preference," said Mr. Izetbegovic, who has long sought Western military intervention to save his government, which has lost two-thirds of its territory to Serbian forces since early April. Western governments have so far ruled out intervention for any purpose other than protection of humanitarian aid.

Mr. Izetbegovic said President George Bush had assured him earlier this year that the U.S. government would do "whatever it takes" to guarantee the delivery of aid to Bosnia.

In Sarajevo, meanwhile, a four-day hill in shooting continued, but UN-assisted attempts to restore electricity and water service to the city again failed.

"No-Confidence Vote Fails" The Yugoslav prime minister, Milan Panic, survived a no-confidence vote on Friday after harsh criticism by nationalist legislators opposed to his conciliatory moves to help end the warfare. The Associated Press reported from Belgrade that Mr. Panic won support from 66 of the 103 deputies present in the Chamber of Nations. Thirty voted against him and seven abstained.

Hard-line Serbian nationalists had criticized Mr. Panic for his pledge to recognize the borders of the former Yugoslav republics that have gained independence. They also criticized his efforts to negotiate with ethnic Albanians in Serbia's restive southern Kosovo Province.

To our readers in France: It's never been easier to subscribe and save with our new toll free service. Just call us today at 05-437-437.

BLEAK: In South Africa, Recession and Anarchy Make Roadblocks

(Continued from page 1) community so fears crime that its luxurious shopping malls can only be approached through airport-like security checks. When whites get their homes burglarized, some say, with gallows humor, that their stores have been "nationalized." Those with less whimsy add another few layers to their security walls.

On top of all this, the multiparty negotiations toward a nominal democracy — which virtually everyone here agrees is the only way out of the mess — have been suspended for more than two months while Mr. de Klerk's National Party and Mr. Mandela's African National Congress trade blame over the violence. The ANC said Thursday that a resumption of talks would be pointless, given what it said are the government's failures to halt the violence or to free political prisoners.

YOWZAH: A Sideshow Becomes the Main Attraction

(Continued from page 1) looking very small, and it was scary," he says. Mr. Zigun, 36, talks of an impoverished national imagination, of the wheezing, gasping and moaning of the arts scene. "I'm disappointed in the younger generation; I'm worried about them," he says. "They don't care about the arts as we did — as an alternative, as something worth sacrificing for."

Mr. Zigun grew up in Bridgeport, Connecticut, P. T. Barnum's hometown. The showman's memory is celebrated there each year with elephants, children impersonating midgets and much, much more. Nearby is Stratford, where Shakespeare festivals were long held.

"I grew up with Barnum and Shakespeare," Mr. Zigun says. "There was nobody to tell me that you can't put them together."

The Coney Island bug bit later, and led him to his current eccentric circle. In 1985, he organized Coney Island USA, working with John Bradshaw, a showman who had scraped together a life organizing carnival freak shows. Mr. Bradshaw asked Mr. Zigun to locate an actress who was not afraid of snakes. He would supply the snakes.

Now, unionized labor will not stand for Third World wages; the precious minerals have become more difficult and less profitable to extract, the monopolies are bloated, and protectionism makes it harder to profit from world trade. Whenever a nonracial government comes to power, it is likely to face an indefinite period of declining living standards among the 15 percent of the population that is white and of unrealistic economic expectations among the 85 percent that is nonwhite.

"The new government won't have the resources to do anything for the poor, so they'll do the next best thing — they'll punish the rich," predicted John Kane-Berman, executive director of the South African Institute for Race Relations, a nonpartisan research group. "Even if their enlightened economists tell them it's a self-defeating course to pursue — because it will drive skills and capital abroad — the political imperatives will be too great."

Reports of Censorship In U.S. Schools Up 50%

By Mary Jordan Washington Post Staff Writer WASHINGTON — Reports of censorship in America's public schools increased 50 percent last year, according to a new survey by the American Way survey that reported the "religious right" was increasingly fighting "objectionable" textbooks and classroom material. Nationally, People for the American Way documented 348 incidents in which a parent, school official or church group demanded that classroom or library books be removed or restricted from all students, up from 229 incidents the previous year. In 41 percent of the cases, the censors were successful. Restricted materials included novels, plays and drug-prevention publications.

FRANCE: A Hard Balancing Act

(Continued from page 1) Europe that is the subject of the referendum. In a radio interview from Brussels, Jacques Delors, president of the European Commission, praised Mr. Mitterrand's television performance, but implicitly criticized the French "yes" campaign, which is based on Mr. Mitterrand's goal of inundating the voters with information under the slogan: "Explain, explain, explain and convince, convince, convince." Arguing that the treaty was too complex for the average person to understand, Mr. Delors said the French government should not have distributed nearly 40 million copies of the Maastricht treaty to every Frenchman and each household the text of the law together with the return forms, and told them, "Now, fill in your returns," Mr. Delors said.

REALITY: Nonaligned Shift

(Continued from page 1) developing countries while commissioning an expert study of debt relief proposals for negotiation with industrial nations. Robert Mugabe, the president of Zimbabwe, said that only through stronger South-South cooperation could the Nonaligned Movement increase its influence and effectiveness as it sought to revive the North-South dialogue. Many Nonaligned states remain heavily dependent on the aid, investment, technology and markets of the North. In 1990, South-South exports amounted to \$1.1 billion, almost twice the value of South-South exports of \$573 billion.

ACROSS 1 Exclamation of regret 5 Steak order 9 Hebrew dry 13 Aton of Bel: Chr. 7:7 16 Fluffy stuff 17 Wild goat 18 Thick slice 19 Trace 21 Actress 23 Entreaty 24 Concern 25 Unit of electric current 26 COW --- 28 Parascope 31 Chopin offering 32 Oleo, to a Brit 33 Philippine fort 34 Nuts for a 37 Plato, to Aristotle 41 Marley, to Serjoo 44 Muslim prince 46 Baltic island 47 Swan 48 Cockle 52 Source of the Blue Nile 53 Green marker 54 DOG --- 58 Understanding reply 59 Gather-up

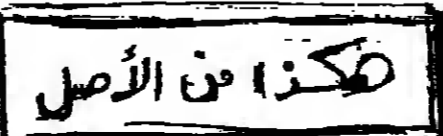
Zoological Links By Albert J. Klaus

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AMSTERDAM CROSSROADS INTERNATIONAL CHURCH... BRISBANE INTERNATIONAL BAPTIST CHURCH... BUDAPEST CHRIST THE KING... DUISBURG CHRIST CHURCH... HONOLULU INTERNATIONAL BAPTIST CHURCH... MADRID MANUEL BAPTIST... MUMBAI INTERNATIONAL BAPTIST CHURCH... NEW YORK INTERNATIONAL BAPTIST CHURCH... PARIS AND SUBURBS EMANUEL BAPTIST CHURCH... ROTTERDAM INTERNATIONAL BAPTIST CHURCH... SYDNEY INTERNATIONAL BAPTIST CHURCH... TOKYO ST. PAUL INTERNATIONAL LUTHERAN CHURCH... VIENNA EUROPEAN BAPTIST CONVENTION... WARSAW EUROPEAN BAPTIST CONVENTION... ZURICH AMERICAN CHURCH IN BERLIN...

Solution to Puzzle of Aug. 29-30 1 Exclamation of regret... 5 Steak order... 9 Hebrew dry... 13 Aton of Bel: Chr. 7:7... 16 Fluffy stuff... 17 Wild goat... 18 Thick slice... 19 Trace... 21 Actress... 23 Entreaty... 24 Concern... 25 Unit of electric current... 26 COW ---... 28 Parascope... 31 Chopin offering... 32 Oleo, to a Brit... 33 Philippine fort... 34 Nuts for a... 37 Plato, to Aristotle... 41 Marley, to Serjoo... 44 Muslim prince... 46 Baltic island... 47 Swan... 48 Cockle... 52 Source of the Blue Nile... 53 Green marker... 54 DOG ---... 58 Understanding reply... 59 Gather-up



صباحنا من الالاهل

Congressman Key To Taiwan Jet Sale

By Don Oberdorfer
Washington Post Service

WASHINGTON — On July 14, Representative Joe Barton, Republican of Texas, received an urgent plea from General Dynamics Corp. executives in Fort Worth to help reverse a 10-year-old U.S. policy limiting arms sales to Taiwan.

Close to 3,000 Texas jobs were at stake, the officials said, in the potential sale of F-16 warplanes to the anti-communist bastion off the Chinese coast.

Standing in the way of the deal, believed to be worth at least \$4 billion, was the 1982 Joint Communiqué between the United States and China, which ended a tense and lengthy standoff between the two nations over arming Taiwan.

Negotiated by the Reagan administration, it prohibited Washington from exceeding previous arms sales levels to Taiwan "either in qualitative or quantitative terms" and to "reduce gradually" the sales over years to come.

After a two-hour briefing from the company, Mr. Barton said he telephoned W. Henson Moore, then deputy White House chief of staff, to plead the case for approving the sale.

Almost immediately, the National Security Council staff and other elements of the White House conducted a "quick-and-dirty" review of the sale and of China-Taiwan arms policy, tentatively concluding that the sale "had a lot of merit," Mr. Barton was informed.

Shortly thereafter, according to Mr. Barton, more extensive studies were ordered in the State and Defense Departments leading to a final interagency review that was completed late last week — in time for President George Bush to make

a formal announcement before cheering workers at the General Dynamics plant in Fort Worth Wednesday that the plane sale had been approved.

Since mid-July, Mr. Barton said, he and other Texas legislators had lobbied strenuously for the F-16 sale in conversations with Mr. Bush; James A. Baker 3d, the White House chief of staff; Brent Scowcroft, the national security adviser; Lawrence S. Eagleburger, the acting secretary of state, and other senior officials. At the same time, Texas Democrats, while joining appeals to approve the sale, began attacking Mr. Bush for caring more about the communist regime in Beijing than about jobs of workers in Texas.

Mr. Bush, in announcing his decision, said it "does not change the commitment of this administration and its predecessors" to the agreements previously negotiated with China. Ignoring the U.S. promise to cap and reduce arms sales to Taiwan, he said that to him "the importance of the '82 communiqué on arms sales to Taiwan lies in its promotion of common political goals — peace and stability in the area through mutual restraint."

The State Department, making the case for the sale, said that "the sale of Taiwan's air force and China's purchase of Russian Su-27 aircraft were among the factors considered in the president's decision."

A department spokesman said it was now impossible for the United States to provide spare parts for Taiwan's obsolescent U.S. warplanes, and thus "we're maintaining the quality of that air force to the only way we have available."



DRESS REHEARSAL FOR YELTSIN IN TOKYO — Japanese policemen, some dressed as riotists, during a staged clash Friday, part of a security exercise in preparation for the visit of Boris N. Yeltsin beginning Sept. 13. His security service had earlier taken the unusual step of criticizing Japanese security arrangements. A Russian official said it might even be recommended that the trip be postponed. But Yuri Petrov, Mr. Yeltsin's top national security adviser, said Friday that the visit would go ahead as planned.

Ankara Sees Threat In Iraq Exclusion Zones

By Alan Cowell
New York Times Service

ANKARA — Concerned that recent U.S. and allied actions in Iraq would embolden Kurdish separatists in southeastern Turkey, Prime Minister Suleyman Demirel has received assurances from President George Bush that the United States will continue to oppose creation of an independent Kurdish nation in the region.

But in an interview, the Turkish leader also said he remained concerned that recent efforts to create zones of protection for Kurdish and Shiite dissidents in northern and southern Iraq had weakened Iraq's territorial integrity.

Mr. Demirel added that he had told Iraqi leaders that unless Iraq makes peace with the world, the country would be broken up.

Turkey, a long-standing Western ally that played a major role in the Gulf War coalition against Iraq, is deeply worried that the creation of the two zones, by weakening Iraq's integrity, would make it easier for its own rebellious Kurds to carry out their fight.

Among Turkey's population of 60 million are 10 million Kurds, of whom 6 million are in southeast Turkey, where the avowedly Marxist Kurdish Workers Party has been fighting a steadily growing war since 1984 for an independent Kurdish state.

As fighting has increased, 1,300 people have been killed this year, bringing the total in the last eight years to 4,500.

Leaders of the Kurds in northern Iraq say they oppose an independent Kurdish nation. Kurds in Iraq, in fact, have a strained relationship with Kurds in Turkey. Earlier this year, the Iraqi Kurds tried to prevent Turkish Kurds from infiltrating into Turkey.

■ 21 Killed in Clash
A total of 20 guerrillas and 1 police officer were reported killed Friday in a clash with Kurdish separatists in the southeast. Reuters reported from Ankara.

China Says U.S. Lied To Back Up F-16 Deal

Compiled by Our Staff From Dispatches

BEIJING — China accused the Bush administration Friday of using "excuses and lies" to justify the sale of F-16 jets to Taiwan and said the transaction threatened U.S.-Chinese relations.

Xinhua, the state press agency, in a strongly worded commentary, said Washington's planned arms sale also brought added tension to relations between China and Taiwan.

"The Bush administration has fabricated various excuses and lies trying to justify its arms sale decision, which is seriously jeopardizing Chinese-U.S. relations," it said.

The commentary accused the United States of working to obstruct the eventual unification of Taiwan with China and of violating its 1982 promise to phase out arms sales to the island.

China regards Taiwan as a renegade province with no claim to nationhood. The United States in 1979 switched its recognition to Beijing from Taipei and officially considers Taiwan a part of China.

"The Bush decision will just serve to obstruct and undermine China's cause for peaceful reunification," Xinhua said.

President George Bush announced Wednesday that he would reverse a 10-year ban on sales of advanced weapons to Taiwan and permit the purchase of as many as 150 F-16 fighters for at least \$4 billion.

That brought an angry reaction from Beijing. China warned Mr. Bush that he was putting at risk Beijing's cooperation in UN arms control talks.

In Washington on Friday, acting Secretary of State Lawrence S. Eagleburger said U.S. relations with China were in for a "rough patch" as a result of the F-16 deal.

But Mr. Eagleburger also said the transaction with Taiwan was unlikely to lead to a breakdown in relations.

The Chinese have "too much riding on the relationship with us in economic and political terms" to risk a rupture, Mr. Eagleburger said in an interview on CNN.

The United States wants to send Assistant Secretary of State William Clark Jr. to Beijing next week to explain its decision. But, said Mr. Eagleburger, China has not yet responded to the trip proposal or said whether it would accept Mr. Clark.

Mr. Bush told a cheering crowd of aerospace workers in Texas that the sale did not represent a change in U.S. policy toward China and was intended to help maintain peace and stability in the region.

"This is sheer deceptive talk," the Xinhua commentary stated. (Reuters, AFP, AP)

No U.S. Aides Implicated on Iraqi Loan

There Isn't Evidence Officials Knew of Illegal Scheme, Prosecutor Says

By Sharon LaFraniere
Washington Post Service

WASHINGTON — Government prosecutors have told a federal judge they have no evidence that anyone in the U.S. government knew about the \$5.5 billion in illegal loans to Iraq made by a branch of an Italian-owned bank.

Assistant U.S. Attorney Gale McKenzie said Christopher P. Drogoul, branch manager in Atlanta of the Banca Nazionale del Lavoro, had not implicated any U.S. officials in discussions with government investigators, according to documents made available this week.

The question of whom Mr. Drogoul might implicate has hung over the case since it began three years ago. The U.S. district court judge in charge of the case, Marvin H. Shoob, has repeatedly expressed skepticism that Mr. Drogoul could have handled such huge illegal transactions without the knowledge or help of someone outside his small branch.

Earlier this summer, Judge Shoob called for the appointment of an independent counsel, saying he was concerned that the government might have worked out a guilty plea to keep Mr. Drogoul from publicly implicating others and possibly causing political embarrassment for the Bush administration. Mr. Drogoul pleaded guilty on June 2 to 60 of 347 counts of conspiracy and fraud and is scheduled to be sentenced in two weeks.

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Vietnam, Protesting, Tells China to Halt Oil Surveys

Agence France-Presse

HANOI — Vietnam demanded the immediate withdrawal Friday of two Chinese ships that it said were violating its territorial waters and blocking shipping lanes in the Gulf of Tonkin.

Deputy Foreign Minister Vu Khoan summoned Ambassador Zhang Dewei of China to the Foreign Ministry to protest the presence of the vessels. Mr. Vu said Chinese radio broadcasts were warning all ships to stay clear of the area.

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two ships, which are exploring for oil in the Gulf of Tonkin.

"The Vietnamese government asks the Chinese government to ask the concerned Chinese organizations and localities to immediately suspend the project and to not undertake similar activities in the future," the statement said.

"These facts do not help create favorable conditions for the upcoming negotiations," it said.

Vice Foreign Minister Xu Dunxin of China is to visit Hanoi late this month to discuss the disputed land border between the two Asian neighbors, Vietnamese sources said.

Clashes Persist Against Refugees In German East

Reports of Censorship in S. Schools Up 50%

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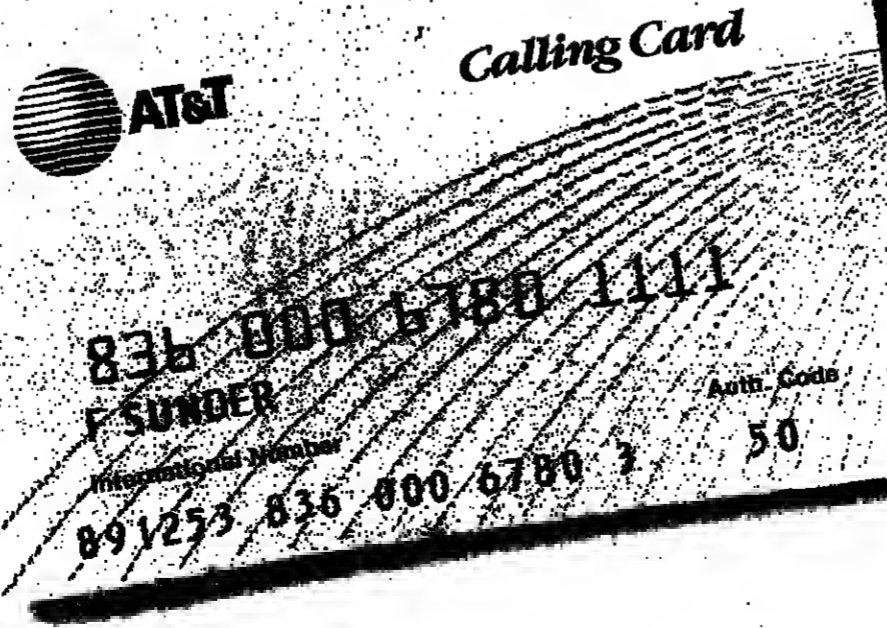
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Congressman Key To Taiwan Jet Sale

By Don Oberdorfer
Washington Post Service

WASHINGTON — On July 14, Representative Joe Barton, Republican of Texas, received an urgent plea from General Dynamics Corp. executives in Fort Worth to help reverse a 10-year-old U.S. policy limiting arms sales to Taiwan.

Close to 3,000 Texas jobs were at stake, the officials said, in the potential sale of F-16 warplanes to the anti-communist bastion off the Chinese coast.

Standing in the way of the deal, believed to be worth at least \$4 billion, was the 1982 Joint Communiqué between the United States and China, which ended a tense and lengthy standoff between the two nations over arming Taiwan.

Negotiated by the Reagan administration, it committed Washington not to exceed previous arms sales levels to Taiwan "either in qualitative or quantitative terms" and to "reduce gradually" the sales over years to come.

After a two-hour briefing from the company, Mr. Barton said he telephoned W. Henson Moore, then deputy White House chief of staff, to plead the case for approving the sale.

Almost immediately, the National Security Council staff and other elements of the White House conducted a "quick-and-dirty" review of the sale and of China-Taiwan arms policy, tentatively concluding that the sale "had a lot of merit," Mr. Barton was informed.

Shortly thereafter, according to Mr. Barton, more extensive studies were ordered in the State and Defense Departments leading to a final interagency review that was completed late last week — in time for President George Bush to make

a formal announcement before cheering workers at the General Dynamics plant in Fort Worth Wednesday that the plane sale had been approved.

Since mid-July, Mr. Barton said, he and other Texas legislators had lobbied strenuously for the F-16 sale in conversations with Mr. Bush; James A. Baker 3d, the White House chief of staff; Brent Scowcroft, the national security adviser; Lawrence S. Eagleburger, the acting secretary of state, and other senior officials. At the same time, Texas Democrats, while joining appeals to approve the sale, began attacking Mr. Bush for caring more about the communist regime in Beijing than about jobs of workers in Texas.

Mr. Bush, in announcing his decision, said it "does not change the commitment of this administration and its predecessors" to the agreements previously negotiated with China. Ignoring the U.S. promise to cap and reduce arms sales to Taiwan, he said that to him "the importance of the 32 communiqué on arms sales to Taiwan lies in its promotion of common political goals — peace and stability in the area through mutual restraint."

The State Department, making the case for the sale, said that "the signing of Taiwan's air force and China's purchase of Russian Su-27 aircraft were among the factors considered in the president's decision."

A department spokesman said it was now impossible for the United States to provide spare parts for Taiwan's obsolete U.S. warplanes, and thus "we're maintaining the quality of that air force in the only way we have available."



DRESS REHEARSAL FOR YELTSIN IN TOKYO — Japanese policemen, some dressed as rightists, during a staged dress rehearsal for the visit of Japanese Prime Minister Yeltsin to Tokyo. His security service had earlier taken the unusual step of criticizing Japanese security arrangements. A Russian official said it might even be recommended that the trip be postponed. But Yuri Petrov, Mr. Yeltsin's top national security adviser, said Friday that the visit would go ahead as planned.

China Says U.S. Lied To Back Up F-16 Deal

Compiled by Our Staff From Dispatches

BEIJING — China accused the Bush administration Friday of using "excuses and lies" to justify the sale of F-16 jets to Taiwan and said the transaction threatened U.S.-Chinese relations.

Xinhua, the state press agency, in a strongly worded commentary, said Washington's planned arms sale also brought added tension to relations between China and Taiwan.

"The Bush administration has fabricated various excuses and lies trying to justify its arms sale decision, which is seriously jeopardizing Chinese-U.S. relations," it said.

The commentary accused the United States of working to obstruct the eventual unification of Taiwan with China and of violating its 1982 promise to phase out arms sales to the Nationalists.

China regards Taiwan as a renegade province with no claim to nationhood. The United States in 1979 switched its recognition to Beijing from Taipei and officially considers Taiwan a part of China.

"The Bush decision will just serve to obstruct and undermine China's cause for peaceful reunification," Xinhua said.

President George Bush announced Wednesday that he would reverse a 10-year ban on sales of advanced weapons to Taiwan and

permit the purchase of as many as 150 F-16 fighters for at least \$4 billion.

That brought an angry reaction from Beijing. China warned Mr. Bush that he was putting at risk Beijing's cooperation in UN arms control talks.

In Washington on Friday, acting Secretary of State Lawrence S. Eagleburger said U.S. relations with China were in for a "rough patch" as a result of the F-16 deal.

But Mr. Eagleburger also said the transaction with Taiwan was unlikely to lead to a breakdown in relations.

The Chinese have "too much riding on the relationship with us in economic and political terms" to risk a rupture, Mr. Eagleburger said in an interview on CNN.

The United States wants to send Assistant Secretary of State William Clark Jr. to Beijing next week to explain its decision. But, said Mr. Eagleburger, China has not yet responded to the trip proposal or said whether it would accept Mr. Clark.

Mr. Bush told a cheering crowd of aerospace workers in Texas that the sale did not represent a change in U.S. policy toward China and was intended to help maintain peace and stability in the region.

"This is sheer deceptive talk," the Xinhua commentary stated.

(Reuters, AFP, AP)

Ankara Sees Threat In Iraq Exclusion Zones

By Alan Cowell
New York Times Service

ANKARA — Concerned that recent U.S. and allied actions in Iraq would embolden Kurdish separatists in southeastern Turkey, Prime Minister Suleyman Demirel has received assurances from President George Bush that the United States will continue to oppose creation of an independent Kurdish nation in the region.

But in an interview, the Turkish leader also said he remained concerned that recent efforts to create zones of protection for Kurdish and Shiite dissidents in northern and southern Iraq had weakened Iraq's territorial integrity.

Mr. Demirel added that he had told Iraqi leaders that unless Iraq makes peace with the world, the country would be broken up.

Turkey, a long-standing Western ally that played a major role in the Gulf War coalition against Iraq, is deeply worried that the creation of the two zones, by weakening Iraq's integrity, would make it easier for

its own rebellious Kurds to carry out their fight.

Among Turkey's population of 60 million are 10 million Kurds, of whom 6 million are in southeastern Turkey, where the avowedly Marxist Kurdish Workers Party has been fighting a steadily growing war since 1984 for an independent Kurdish state.

As fighting has increased, 1,300 people have been killed this year, bringing the total in the last eight years to 4,500.

Leaders of the Kurds in northern Iraq say they oppose an independent Kurdish nation. Kurds in Iraq, in fact, have a strained relationship with Kurds in Turkey. Earlier this year, the Iraqi Kurds tried to prevent Turkish Kurds from infiltrating into Turkey.

■ 21 Killed in Clash

A total of 20 guerrillas and 1 police officer were reported killed Friday in a clash with Kurdish separatists in the southeast. Reuters reported from Ankara.

Vietnam, Protesting, Tells China to Halt Oil Surveys

Agence France-Press

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No U.S. Aides Implicated on Iraqi Loan

There Isn't Evidence Officials Knew of Illegal Scheme, Prosecutor Says

By Sharon LaFraniere
Washington Post Service

WASHINGTON — Government prosecutors have told a federal judge they have no evidence that anyone in the U.S. government knew about the \$5.5 billion in illegal loans to Iraq made by a branch of an Italian-owned bank.

Assistant U.S. Attorney Gale McKenzie said Christopher P. Drogoul, branch manager in Atlanta of the Banca Nazionale del Lavoro, had not implicated any U.S. officials in discussions with government investigators, according to documents made available this week.

The question of whom Mr. Drogoul might implicate has hung over the case since it began three years ago. The U.S. district court judge in charge of the case, Marvin H. Shoob, has repeatedly expressed skepticism that Mr. Drogoul could have handled such huge illegal transactions without the knowledge or help of someone outside his small branch.

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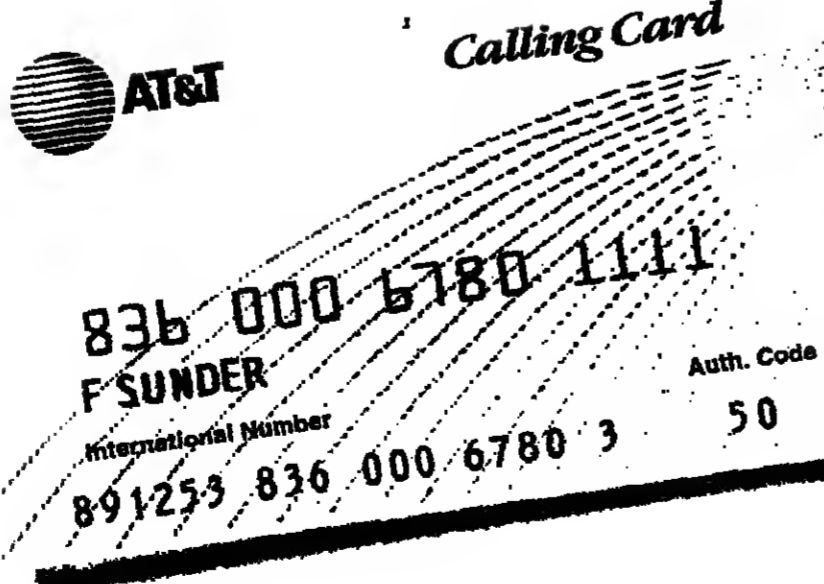
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Euromarché Sinks Carrefour's Chief

Compiled by Our Staff From Dispatches
PARIS — The man who engineered Carrefour's acquisition of another French hypermarket chain, Euromarché, was ousted Friday as the retail giant reported a 53.3 percent drop in first-half profit because of the deal.

EC Clears Part of Steel Deal

Bloomberg Business News
BRUSSELS — The EC Commission on Friday gave partial approval to British Steel PLC's plan to merge virtually all its stainless steel manufacturing and distribution interests with the Swedish steel company Avesta AB.

decided a change in management was necessary," Carrefour said. The stock tumbled 7.2 percent on the Paris Bourse to 2,300 francs before it was suspended, despite Carrefour's forecast that net attributable profit for the full year would still rise 10 percent, down from a previous estimate of 20 percent.

Carrefour created a colossus with more than 100 billion francs (\$20.9 billion) in annual sales when it acquired Euromarché in mid-1991 from the retailer Au Printemps for 5 billion francs. But the costs of purchasing and restructuring Euromarché weighed heavily on Carrefour's results in the first half of this year, and the company decided to replace Mr. Bon even though, according to Mr. Fournier, the founding Fournier and Defoery families had no fundamental disagreements with him.

Milan Brokers' Losses Mount

Reuters
MILAN — Having spent millions preparing for a "Big Bang" that never came, dozens of Italian brokerage firms are left counting their losses. "Nobody — but nobody — is making any money in this market," said a trader at a leading brokerage.

Attendance Surges, but Euro Disney Still Sees Loss

Compiled by Our Staff From Dispatches
PARIS — Euro Disney SCA said Friday that despite a summer surge in attendance at its theme park east of Paris, it still expects to post a loss for the year ending Sept. 30.

Warm Weather Aids Heineken's Net

Compiled by Our Staff From Dispatches
AMSTERDAM — Heineken NV said Friday that warm weather in Europe and higher profit margins boosted its first-half net profit by 17 percent from a year earlier.

Loss Deepens at Isosceles

Bloomberg Business News
LONDON — Isosceles PLC, still feeling the hangover from its leveraged buyout in 1989, reported Friday that its net loss deepened in the year to April 25 to £146.2 million (\$289.9 million).

LIRA: Italy Raises Interest Rates as Talk of Currency Devaluations Grows

(Continued from page 1)
ened in response to the U.S. job report. Traders said the British decision to borrow heavily to support the pound had helped reduce market fears of an imminent realignment of the European currency grid and reduced the lure of the mark for investors.

joining the ERM, proved its credibility to the bond market by raising interest rates," said J. Paul Horne, international economist for Smith Barney, Harris Upham & Co. in Paris.

The Italian government issued a statement supporting the central bank's decision. But Confindustria, the Italian employers' federation, said interest rates were now so high as to be accelerating the process of the "de-industrialization" of Italy and called on the government to slash its huge borrowing requirements to take the heat off monetary policy.

SYRIAN ARAB REPUBLIC MINISTRY OF HEALTH CALL FOR FOREIGN OFFERS

The Ministry of Health announces a call for foreign offers for the supply, installation and putting into operation of the groups of medical and laboratory equipments and transport vehicles for the new hospitals in Tartous, Mambeg, Alboakamal, Deir Aseh, Al Qardaha, and Dammur.

NYSE Friday's Closing

Symbol	Price	Change
Dow Jones	2,890.50	+15.25
S&P 500	325.12	+1.85
NASDAQ	1,125.45	+12.30

Mediobanca Lowers Writedowns, Raises Net

Company	Price	Change
Mediobanca	1,250.00	+20.00
Eni	1,800.00	+10.00
Ilva	1,500.00	+5.00

Market	Index	Friday Close	Prev. Close	% Change
Frankfurt DAX	1,536.50	1,530.75	+0.38	
London FTSE 100	2,362.20	2,381.91	-0.83	
Paris CAC 40	1,778.98	1,780.46	-0.08	

NASDAQ

Friday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Symbol	Price	Change
IBM	110.00	+0.25
MSFT	65.00	+0.50
ORCL	45.00	+0.10
INTL	35.00	+0.20
DISC	25.00	+0.15
WALD	15.00	+0.05
AMZN	10.00	+0.10
GOOG	8.00	+0.05
YHOO	7.00	+0.02
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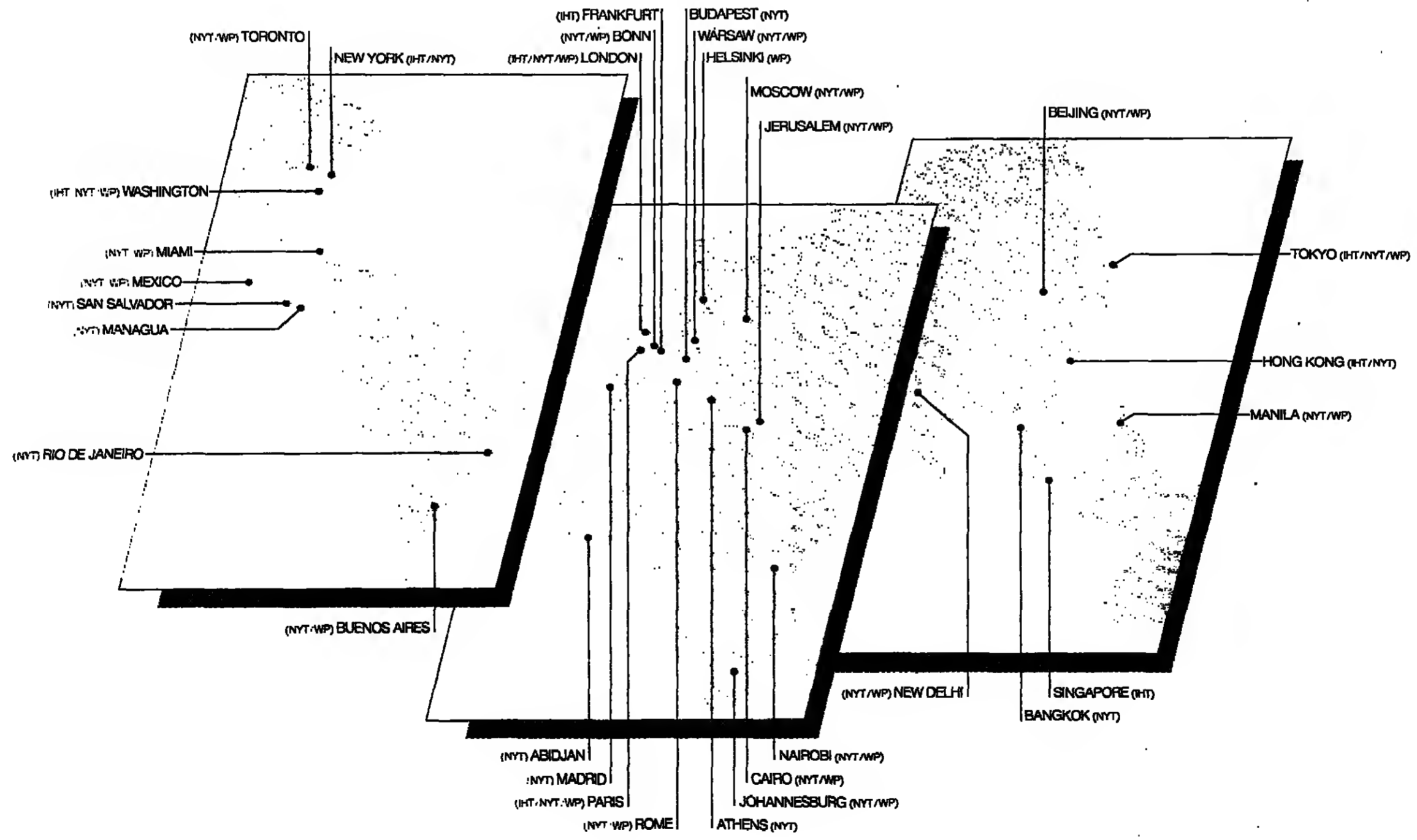
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ORCL	45.00	+0.10
INTL	35.00	+0.20
DISC	25.00	+0.15
WALD	15.00	+0.05
AMZN	10.00	+0.10
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مركزنا من الأصل

THE MONEY REPORT

Saturday-Sunday, September 5-6, 1992 Page 14

The Perils Of Being The Best

THE past performance of mutual funds is, as it should be, of intense and continuing interest to our readers...

The first is to underline the fact that there is a difference between being best and being good...

Take as an example the Gaia Hedge III fund, which topped the best performers for the month of July with an astonishing gain of some 80 percent...

While the fund may well continue its excellent performance, the fact remains that choosing the best over short periods of time is unlikely to bring results...

The second point to bear in mind when reading performance tables is that the fund is no better than the person managing it...

And that of course raises the whole question of whether it's really worthwhile tracking fund performance on their own...

M.B.

In Bond Investing, Is Help Wanted?

By Rupert Bruce

DESPITE tumult in the currency markets, historic lows in U.S. interest rates, and serious doubt over the future of Europe's exchange rate mechanism...

After an investor has paid out an initial fee and a further annual fee, the value that professional managers claim to add may have been wiped out...

ness Flight Global Fund, an offshore fund with a competitive track record, shows just how much of a handicap its 5 percent front end charge is...

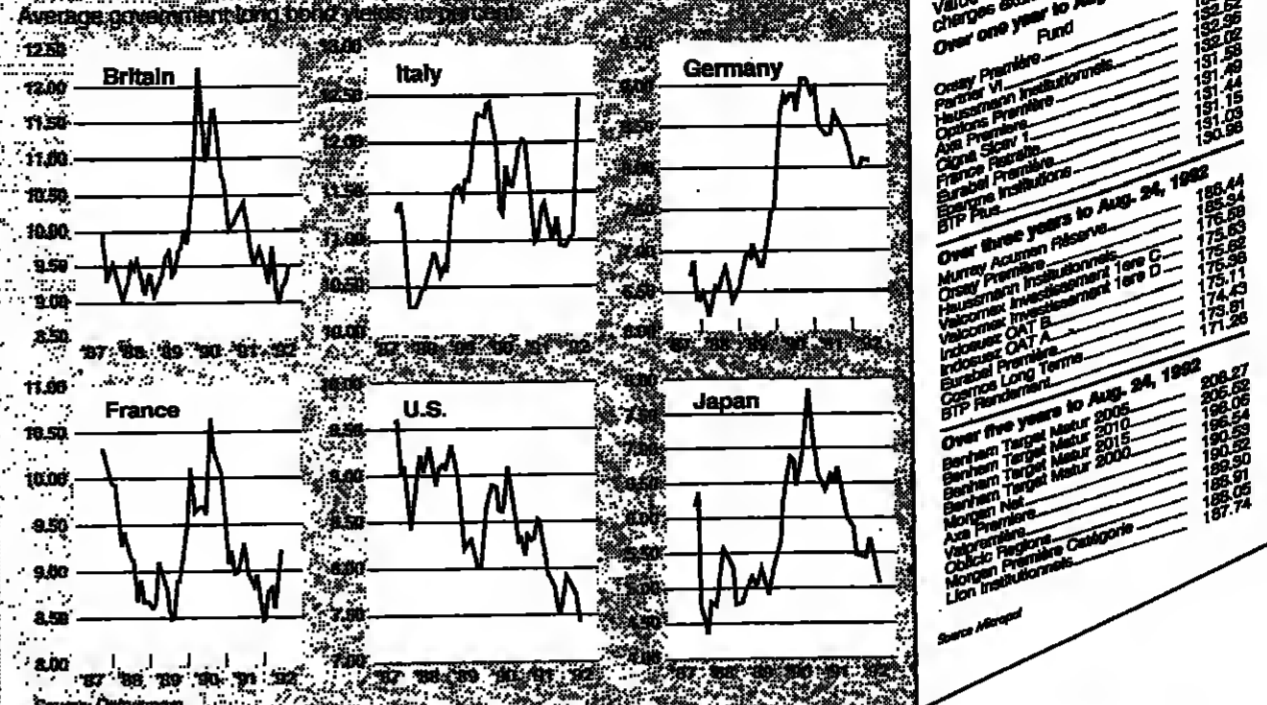
The argument against bond funds is strongest in the arena of domestic bonds. There are fewer decisions to be made when managing domestic bonds...

David Hager, a bond expert and partner at a firm of consulting actuaries, Bacon & Woodrow, said that professional managers could improve the performance of bond portfolios by actively managing them...

In Britain, his home market, he would advise private investors to ignore bond funds and just buy government bonds, called gilts. Government bonds have the added attraction to the British taxpayer of being free of capital gains tax...

When considering investing in bonds on a global basis it obviously makes more sense to employ a professional manager. In the international arena there are additional decisions to make...

Picking a Bond Portfolio



Source: DataStream

track of currencies also requires a wealth of knowledge and time.

So there is more risk, but also a greater chance for a good professional manager to prove himself worth the fee. At the moment, for example, the consensus among bond fund managers seems to be that European bonds markets have the best prospects for the next 12 months...

However, some believe that few bond managers prove their worth on the international market.

Mr. Hager said: "There is not that much difference between a good manager and a bad manager..."

Studies have shown that volatility tends to decrease until about 40 percent of a portfolio is invested abroad. After that volatility creeps up once more. But, once again, the 5 percent initial fee charged by bond funds may outweigh any benefits to be gained...

A Looming Crisis of Identity for the EMS

By Conrad de Aenlle

EUROPE and its financial institutions are in crisis. French President François Mitterrand appeared in a televised debate Thursday night and enlisted the help of German Chancellor Helmut Kohl to plead for the French nation's approval of the Maastricht treaty...

One almost certain consequence of a "no" vote would be an even greater crisis for the already strained exchange rate mechanism in ERM. But there the certainty ends...

Mr. Hornes said Britain's brain trust was in some ways only getting what it deserves. "The British are paying the price for not raising their rates since they came in [to ERM] in 1990..."

Mr. Hornes said Britain's brain trust was in some ways only getting what it deserves. "The British are paying the price for not raising their rates since they came in [to ERM] in 1990..."

foundering U.K. economy, devaluing the pound would probably be worse, igniting an exodus of money from the island and, in the end, higher rates just the same.

Mr. Conquest, however, insists there is no immediate danger. He noted that the chancellor of the exchequer, Norman Lamont, has declared it will not happen with the kind of "read my lips" certitude more notorious on the other side of the Atlantic.

Mr. Conquest expects the British market to stay in a protracted slump, of the type seen in the 1970s, as long as the currency dilemma continues, "the U.K. market is bound to lose out."

Mr. Palmer is the most upbeat. He sees little risk in stocks, even if the French vote against the treaty, although "very short term the markets will have even more extreme pain and grief. If the vote is 'no,' he said, Germany and Holland become better places to invest, while a "yes" vote makes France attractive.

"Everyone in Europe can see only the uncertainties—the risk of devaluation, the risk of higher rates. No one wants to look at the other side of the coin: What is the downside risk? What is already discounted in the market? A heck of a lot."

By the way, he does not expect sterling's ERM band to change. "The politicians are committed," he argued, "and even if you have a 'no' vote in France, which will totally upend the apple cart, with all the other Euro-skeptics becoming more vociferous, then by the end of the day the politicians will find a way of cobbling a mended treaty together."

Advertisement for International Fund Investment magazine. Features the title 'Good Times, Bad Times' and the subtitle 'How Analyst Media Stars Win Either Way'. Includes a list of articles such as 'Boomy Contests California Fund Search' and 'Tonguing It Out in Japan'.

The central source on fund investment.

Subscription form for International Fund Investment magazine. Includes fields for Name, Company, Address, City/Code, Country, and payment options (check or credit card). Also includes a list of topics to be covered.

Table titled 'Analysts' Estimates of U.S. Company Results'. It lists various companies like SALOMON INC., BANK BOSTON CORP., CYPRUS MINERALS, etc., along with their financial performance metrics: End of financial year, Earnings est. for '92, Last month's est., % change, Last month's closing price, Current price, % change, P/E ratio, and No. of analysts used.

Handwritten note in Arabic: هكذا من الأصل

THE MONEY REPORT

Back to Basics in Appraising Insurers

By Aline Sullivan

WHAT IS happening to European insurers? Questions are being asked about the health of an industry that has seen one of its biggest players, the German giant Allianz, record a sharp drop in share price.

Robert Tam, an analyst at Credit Suisse First Boston, agreed that insurance stocks were declining both because asset values were dropping and because many investors expect underwriting losses this year.

Part of the earlier attraction of insurance stocks was an extremely optimistic view of where asset values were going, said Mr. Tam. "But investors should look at them as insurers. For those with a long term view it isn't a bad time to buy."



The slide in share values has been disappointing to many investors who had bought insurance stocks in the belief that high estimated net asset values would outweigh fluctuations in underwriting.

Mr. Hutner asserts: "Shareholders are being called on to finance even grander ventures with ever-lengthening payback periods." He argues his case by pointing to recent deals like Allianz's purchase of Fireman's Fund.

However, not all analysts are disenchanted with net asset values. Trevor May, an analyst at Nomura Securities, acknowledged that continental European companies will be valued increasingly by their underlying performance.

French insurers, which are trading at an average discount of about 40 percent of asset values, should perform well relative to other European companies, he said.



Driving a Bargain With the Moneychangers

By Philip Crawford

BE it during the summer vacation season, which is winding down, or the new business travel season, which is heating up, international travelers have a constant concern: obtaining local currency.

Many wonder if there is a best method of changing money, one that combines low bank charges, convenience, safety, and access to a favorable rate of exchange.

The dramatic rise in both the number of bank cardholders and ATMs worldwide has brought plastic to the forefront of the foreign exchange market.

Many experts point to the international debit card, common in Britain but nascent throughout Europe and the United States, as the best way to obtain foreign cash.

As with any type of plastic, banks are free to set their own charges on such a debit card, a common fee being 1.5 percent of the amount withdrawn.

with Europay International, Mastercard's European arm, bear the name of the issuing bank as well as the Cirrus logo, which is Mastercard's ATM network.

At this point, the U.K. is the exception regarding widespread availability of that product, said Richard Rolfe, European editor of Credit Card Management, an industry publication.

Neither Visa nor Mastercard has such a debit card in the United States, but major banks there have begun to add international capability to their in-house ATM cards.

Change bureaus located on major boulevards frequented by tourists are notorious for offering rates for below retail rates and then attempting to lure customers with conspicuous signs that trumpet "NO COMMISSION!"

Of such places, a Paris-based financial analyst said: "They're obviously there to make money, and it's incredible how many people believe this 'no commission' stuff. Either they just don't know any better or they don't bother to shop around."

More Companies Recruit Foreign Shareholders

By Karina Robinson

THE enormous jump in international equity issues in the first six months of the year, to \$14.8 billion from an already hefty \$8.9 billion in the comparable 1991 period, shows that they are probably here to stay.

Indeed, the 1991 figure, as reported by IFR Securities Data, was itself almost double the 1990 amount.

Broadly, international equity issues are shares in a company sold to investors in a number of countries. Generally such issues are too large to be taken up only by investors in the national stock market.

But are international offerings in any way different from an investor than domestic issues? One must be careful to distinguish between privatizations and other issues.

Second, a great many U.S. companies have resorted to international equity issues, accounting for almost 40 percent of these issues in the first six months of the year.

Charles Stonehill, a managing director at Morgan Stanley in London, said: "There will be a second wave of U.S. companies coming to the market where quality is crucial."

He also asserted that numerous holdings would be unwound, such as the Anglo-American conglomerate Hanson PLC's stake in Imperial Chemical Industries PLC.

Third, and perhaps most important, privatization has become fashionable in both the developed and developing world. Due to the size of the companies involved, an international equity offering is in many cases a must.

"They want to attract a broader shareholder base and capture votes as well. Anything other than a substantial premium would be unacceptable, but for other issues, anything over a 10 percent premium is wildly mispriced," the banker added.

The premium here refers to the price to which the stock rises once it begins to trade, giving those who

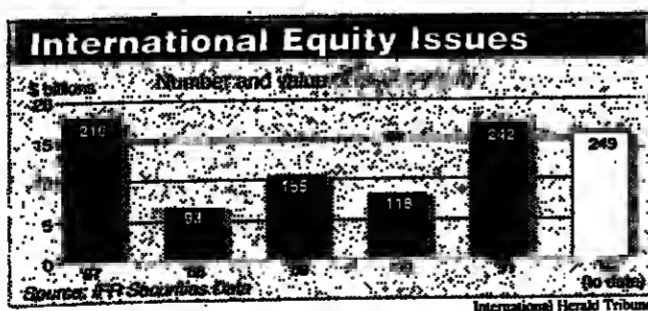
bought at the privatization price a rapid profit.

But the sort of premiums enjoyed in British privatizations could well be over. The National Audit Office recently ruled that the water company privatizations were fairly priced as the average share premium was 8.7 percent at the end of the first day's trading.

Another major source of privatization issues is Italy. The new coalition government led by Giuliano Amato is pressing on the accelerator. In August the four largest state-owned groups became joint stock companies, the first step on the road to privatization.

Another major source of privatization issues is Italy. The new coalition government led by Giuliano Amato is pressing on the accelerator.

Investors have to be aware of the rollercoaster nature of emerging stock markets and possible settlement problems.



two subsidiaries belonging to the state holding companies are due to be floated this winter, while rumors abound of a major bank to be privatized.

One that already has been is Isti-tuto Bancario San Paolo di Torino. The international equity offer was heavily oversubscribed and its share price outperformed a falling market by only about 5 percent.

But it is the emerging markets of Latin America and Asia — specifically Taiwan and India — that appear among the most promising.

Emerging market offerings are different from the norm. "Normally, investors have never heard of the companies, so we spend a lot of time being educational," said Mr. Stonehill of Morgan Stanley.

International equity issues tend to be well publicized. Although far from a guarantee that the issue will be fully subscribed, it does help.

BRIEFCASE

A Toe in the Water for Those Jumpy About German Stocks

DIT, the mutual fund arm of Dresdner Bank, is launching its new Luxembourg domiciled funds aimed at German and international investors.

The DIT-Lux Vario Garantie has a familiar formula. It offers investors the guaranteed return of 100 percent of their original capital stake when the fund winds itself up at the end of September 1996.

The remaining 30 percent of the fund will be committed to unlisted call options on the German stock market's DAX index.

The fund is designed to appeal to conservative investors who have previously chewed investing in stocks because of the risks.

The fund carries a 3 percent initial charge, and there is a decreasing redemption fee for investors wishing to cash up before the fund winds itself up in 1996.

Units in the fund may be purchased up to the end of this month.

The DIT-Lux Zerobond invests primarily of zero coupon bonds, and will wind itself up in July 2000. The bonds bought will be mostly denominated in the currencies of OECD member states, or in the pan-European hybrid currency, the Euro.

The managers claim the fund offers investors the opportunity to lock in high bond yields for a longer period, plus the possibility of deferring tax liability.

For more information, write Dresdnerbank Asset Management, 6A, route de Trèves, L-2633 Senningenberg, Boite Postale 179, L-2011 Luxembourg, or call Luxembourg 463 4631.

An Index of Retail Stocks To Take Consumers' Pulse

Indexes are in fashion. The latest one to be created comes from the American Stock Exchange, which has compiled an index of 15 of the largest general merchandise, clothing, equipment and appliance retailers in the United States.

The Retail Index was designed to act as an economic indicator that represents movements in retail spending as well as to reflect consumer confidence at the national level.

But it will also help the exchange's business, because of option trading on the index.

At close of trading Tuesday, the total market capitalization of the stocks in the index was around \$170 billion. The index is composed of the following stocks: Dayton Hudson Corp., Dillard Department Stores, Gap Inc., Home Depot Inc., J.C. Penney Co., K Mart Corp., May Department Stores Co., Melville Corp., Sears Roebuck & Co., TXK Cos., Toys R Us Inc., Walgreen, Wal-Mart Stores Inc., and Woolworth Corp.

Sales of U.S. Mutual Funds Soared to \$32 Billion in July

Total sales of U.S. stock, bond and income mutual funds totaled \$32 billion in July, according to the Investment Company Institute, the trade body of the U.S. mutual fund industry. The July 1992 figure is sharply up from sales of just \$19.3 billion during the corresponding month in 1991.

Total redemptions by investors were \$12.9 billion over the month, compared with \$9.1 billion in July 1991. Bond and income funds accounted for \$8.1 billion of total redemptions.

A number of factors contributed to the surge in assets. Rising stock prices added some \$10 billion to the value of equity fund portfolios and a rally in bonds added the value of bond fund portfolios by another \$8 billion, said Dr. Jacob Dreyer, vice president and chief economist of the Investment Company Institute.

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KLM advertisement featuring a man's portrait and text: 'People at the top read the Trib. No local viewpoint. No national viewpoint. No political viewpoint. Simply a balanced editing of the news for people with a stake in international affairs.'

TOP FUNDS advertisement: North Star Group of Companies operates 22 investment funds which have been awarded the 5 Star Award of the IFS in 1985, 1987, 1988, 1989 and 1991. 17% p.a. on average since 1984.

Shoes Persist Against Refugees German East

Insurance Up 50%

REALITY: Unaligned Shift

SPORTS BASEBALL

سكرا من الامل



The result was on their faces as a dejected Martina Navratilova left the court after losing to an almost unbelieving Magdalena Maleeva.



Martina, Slammed Out, Questions Future

By Robin Finn
NEW YORK — Martina Navratilova was at her most strident as she race-walked, speeches and stony-faced, from the Stadium Court after being upset, 6-4, 0-6, 6-3, by 17-year-old Magdalena Maleeva of Bulgaria.

unexpected happen all over again. "I was thinking that she was thinking, 'Not another Maleeva, not on this court,'" said the precocious player, who advanced to the Open's third round for the first time.

Agassi Advances With Chang, Forget

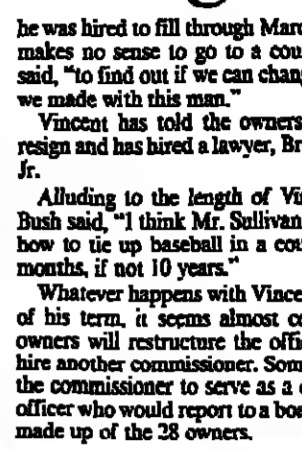
Compiled by Our Staff From Dispatches
NEW YORK — Andre Agassi followed the sun to the U.S. Open Friday and easily moved into the third round of the year's final Grand Slam tournament.

For her it's the match of her life, and for me, it's a second-round match at possibly the last Grand Slam of my life. For her, she has nothing to lose; for me, time is running out.

and a confusing service repertory where second serves occasionally masqueraded as first serves. "I tried to mix it up, and I think she didn't know what to expect," said the winner, who recalled making "100 many mistakes" in two previous losses to the veteran.

Owners Ask Vincent to Resign

By Murray Chass
NEW YORK — Major league club owners, by a vote of 18-9 in a secret ballot, have asked Fay Vincent to resign, saying they do not have confidence in him as a commissioner who could move baseball forward "effectively and constructively."



Fay Vincent, leaving his office as baseball owners met and asked him to quit for good.

Montreal Keeps Apace of the Pirates

The Associated Press
Felipe Alou says the Montreal Expos probably are sending a message. The Atlanta Braves got the message loud and clear Thursday, in an 11-2 pounding at home that ended their winning streak.

O'Brien on Record Decathlon Pace

TALENCE, France (AP) — Don O'Brien, the 1991 world decathlon champion seeking consolation for a disastrous year, was on world record pace after five events Friday at an invitational meet.

Gullit Unhappy With Status at Milan

ROME (AP) — AC Milan striker Ruud Gullit has thrown a tantrum after realizing that France's European Footballer of the Year, Jean-Pierre Papin, is likely to keep him out of this weekend's season opener.

San Francisco Sues to Keep Giants

SAN FRANCISCO (AP) — The city of San Francisco sued Friday to block the proposed move of the Giants, claiming club owner Bob Lurie, the team and a Florida investment group violated stadium lease provisions.

Earlier, The Associated Press reported:

In a late match Thursday in a schedule turned topsy-turvy by sporadic rain showers, 16th-seeded John McEnroe pulled his game together midway through the second set and defeated Italy's Diego Nargiso 4-6, 6-3, 6-0, 6-2.

WOMEN

Single Third Round
Helena Sukova, Czechoslovakia, def. Lori McNeil, U.S., 6-2, 6-3.

SCOREBOARD

Table with columns for Baseball, American League, National League, and Japanese Baseball, showing game results and scores.

Advertisement for AT&T USADirect Service, featuring a globe and the slogan 'Now good news can travel even faster.' Includes a list of international access numbers.

DAVE BARRY

Quite Royally Obsessed

Miami — A woman I know named Linda is deeply concerned about world affairs. Often, when a major development occurs, I find I will phone my wife to break the news.

Beth, Linda will say, with great urgency in her voice, "according to Inside Edition," on several occasions, in Buckingham Palace, the Queen Mother, Charles WAX-ING HIS LEGS.

"Beth," responds Beth, also a keen student of current events. "I can't discuss Charles and Diana's marriage with far more interest than they would ever display in discussing, for example, the deficit, unless the deficit were to date Princess Margaret.

And of course Beth and Linda are not alone. Millions of Americans are fascinated by the British royal family and its large cast of intriguing characters: the Queen, Prince Philip, Prince Charles, Princess Diana, Prince Andrew, the Queen Mother, "Fergie," Prince William, the Queen Aunt, the Duke of Windsor, the Queen Uncle, Lady Catherine Herringbone-Infrastruc-ture, "Doshier," the Queen District Representative and the Earl of Woking-ington-the-Shrubbery.

"We Americans love them all. We don't get enough of these people, and we constantly make fascinating mistakes such as:

Ruler: "Quite."

"Very much."

"I should say."

Further should very much quite

In 1985 I was in a large press camp on hand at the airport to greet Charles and Diana arrive for a visit in Palm Beach, Florida. As I walked past us, several journalists, looking for a News Awa-ward, asked "HOW WAS YOUR TRIP?" And Charles said, "Very nice." I can imagine the size of the smile that came across his face as he came the panicked voices of those who feared they had spoiled the story.

"WHAT DID HE SAY?" they asked.

"He said, 'Very nice,'" other officials responded. Everybody said this down as though it were a secret.

I was fascinated by the royal's problems, their bald spots,

their ears, their hats and their yappy little royal dogs. We're even more fascinated by the way the royals have to find marriage partners in a gene pool so small that it is more of a gene raindrop, the result being that today, after 273 generations of inbreeding, everybody in the family has the same set of fingerprints.

And they're EXTREMELY fascinated when the royals put on comical outfits and hold massive fairy-tale weddings, which are so rich in tradition and history that by the time the ceremony is over, both parties are so sick of each other that they spend their entire married lives standing eight feet apart and wearing facial expressions characteristic of a person trying to suppress a burp the size of a Canadian air mass. Of course, some of you are saying: "Why are we OBSESSED with these dandy people? Didn't we fight a revolution to get rid of this self-appointed permanent ruling class of bloodsucking parasites so we'd have the right to be governed by an ELECTED permanent ruling class of bloodsucking parasites?"

The reason we're fascinated by the royals is: They're better than we are. Admit it! They're! For one thing, they have SENSATIONAL table manners. Remember when President Bush launched his lunch on the Japanese prime minister? If that had been Prince Charles, nobody would ever have noticed, because the prince would have surreptitiously disguised it as a royal remark:

PRINCE CHARLES: I should (suddenly ducks his head under the table) ratherRRRAALPHHGACK (suddenly raises his head back up) very much.

JOURNALISTS IN THE BACK: What did he say?

OTHER JOURNALISTS: He said, "I should ratherRRRAALPHHGACK very much."

Also, you would never see Prince Charles playing saxophone on "Arsenio," French horn, maybe. The point being that the royals have WAY more class than we do, which is why we should continue to be obsessed with them in molecular detail. Although in all fairness, I should point out that I made up the part at the beginning about Charles's winking his legs. He was winking. PRINCE ANDREW'S legs, Linda, call Beth.

King-Ridder Newspapers

In Israel, Courting Film Danger Pays Off

By David Hoffman

TEL AVIV — Nicole Hansen was screaming. She was carrying a heavy backpack, climbing up a rusty ladder while the sun beat down on her, and suddenly sparks and bullets were everywhere.

Hansen was struggling to escape the Cyborgs, those robotlike machines that look like men.

A spark burned her hand and she yelped in pain.

"Cut!" Hansen, an American actress, was not happy. The sparks were not actually supposed to burn her. She had another film to do after this one.

Irena Shulman was watching Hansen. She put on the same heavy backpack. She wore the same hair band, the same tight, the same jacket and knee-high fringed black leather boots. She climbed the ladder too, under the hot sun, to flee the Cyborgs.

Half way up, a rung suddenly broke. She fell through, frantically grasping for a hold, her feet flailing. She climbed back up, slowly, painfully, to the top.

"Cut!" "Bravo!" cheered the crew. Shulman, 19, a stunt artist from Kiev, beamed. She knew it was a good performance.

Shulman loves to fall from ladders, from buildings, down elevator shafts. Here on the set of "American Cyborg," she is paid to court danger.

And in the process she is finding her way in a new world, one she hopes will be less dangerous than the one she left behind, the former Soviet Union.

Almost every week, the Russian-language newspapers in Israel tell another sad story of new immigrants who feel as if they've arrived on a strange planet. They can't find jobs in the booming hot mobile homes or the crowded welfare hotels. They can't find jobs in their professions. They see the splendors of the West — a new television in a store window — but don't have the money for it. A few go home again, and many others anxiously await better times.

Shulman knows about the immigrants' troubles, some of them are her friends, and the parents of her friends. But with the same steady nerve she applies to her stunts, Shulman is also setting an example for others, especially the young, who wonder if they can make the transition from the former Soviet Union to Israel.

On the dusty set of this low-budget movie, some have already made it. In a morning of filming, three languages are spoken — English, Hebrew and Russian. For every American with a major role —



Irena Shulman, an immigrant, is making her way as stunt artist in Israel.

Nicole Hansen, Joe Lara and John Ryan — there is a former Soviet in identical costume.

The Russians, as immigrants from the former Soviet Union are universally known here whether they are Ukrainians, Georgians or other nationalities, are the "doubles." They trained in the Soviet Union, some of them in the theater, or the circus or in sports. They do the really dangerous work, like swinging on a chain between two buildings, or fencing with lead pipes while balancing on an iron girder. Later their stunts are spliced into the movie, between the film of the American actors. They are invisible.

"Only Russians do stunts in Israel," said Sasha Freeman, one of the first to arrive a few years ago, as he sits on a wooden crate during a coffee break. "First of all, we worked in Russian movies. It was our profession. I was the first to come. I

walked into an office and I said, 'I am Sasha from Russia.' Then came another, and six months later came another. Now we are a team."

Virtually all the evidence suggests that the longer Russians remain in Israel, the more likely they are to succeed. A recent door-to-door survey in the city of Lod near Tel Aviv found that only a third of the men who had been in Israel less than a year were working, but 80 percent had jobs after two years. Some veteran Israelis think that over the long term, the rich assortment of talented immigrants who have landed here — doctors, engineers, mathematicians, artists and performers — will prove a gold mine for the Jewish state, expanding occupational fields and stimulating new technology, art and literature.

While American stunt performers get paid for each dangerous act, he said, the

Prince Becomes King Of Rock's Megabucks

Prince is now the highest paid player in pop music after cutting a \$100 million deal with Warner Bros. Records. He will get \$10 million per album (plus royalties) and become a corporate vice president for artists and repertoire. The deal surpasses recent ones made by Michael Jackson, for \$50 million, and Madonna for about \$60 million.

The rumor mills on the British royals ground on. The Daily Express reported Friday that the divorced Princess Anne will marry Naval Commander Timothy Laurence next month in Scotland. Anne divorced her husband, Mark Phillips, earlier this year. Newspapers said Princess Diana may have to appear as a witness if Major James Hewitt goes ahead with a libel action against the Sun over allegations about their friendship. And although a government watchdog organization banned the Sun on Thursday from using a tape recording of an intimate conversation alleged to be between Diana and another friend, James Gilbey, The Sun published a new phone number in its Friday's edition for listeners to the 774-minute version of the tape. Meanwhile, The Mirror, referring to "an insider," declared Friday that Diana and Charles won't separate or divorce. Got all that straight?

Eileen Yee, identified as an heir to the Eli Lilly pharmaceutical fortune, has offered to help Israeli Maroon fix the body of her husband, ousted President Ferdinand E. Marcos, home to Manila from Hawaii. Mrs. Marcos said she could not raise funds to return the body because her assets have been frozen by court orders in connection with corruption allegations against her family.

Could this be the end for Superman? He'll meet his match in a new four-part series of comic books, said Mike Carlin, editor of DC Superman comic books, in the trade magazine Advance Comics. Superman will die fighting to save Metropolis from a super-lunatic called Doomsday, an escapee from a cosmic insane asylum. But, said Carlin, "Never say we wouldn't kill Superman, never say we wouldn't bring him back."

My father and mother took me away from there after one week and we drove to Georgia. Later we went back. We saw fruit that were huge! And I would see people, from the elderly to young, back in Chernobyl. They would be eating fruit in the forest. They didn't understand."

But coming to Israel was not easy, either, Shulman recalled. In the Soviet Union, the family found a niche; her father, a furniture repairman, never failed to put food on the table. Life wasn't all that challenging. "There, everything is there for you," she said. "Here, you have to find it all for yourself."

"If people are 40 or 50 years old, and had a profession and don't know the language, they wouldn't be happy here."

But the young people "get on their feet fast," she added. The stunt artists are earning \$150 to \$250 a day. "After five years, a lot of Russians will be doing really well."

GOING ONCE, TWICE, SOLD!!! INTERNATIONAL ART EXHIBITIONS AUCTION SALES' COLLECTOR'S GUIDES IN SATURDAY'S INTERNATIONAL HERALD TRIBUNE TODAY PAGE 7

PERSONALS: THANK YOU SACRED HEART... VOTER REGISTRATION FOR NOVEMBER... INTERNATIONAL HERALD TRIBUNE TODAY PAGE 7

FRIENDSHIPS: Well met for first-class Partner-Kontak... Edith Brigitta Fahrenkrog

Edith Brigitta Fahrenkrog: Edith Brigitta Fahrenkrog is a partner through the International Partnership Agency with UNLV Personal Assistance

Blonde Elegant Italian Beauty: A beautiful, blonde, elegant woman with a tall, slender figure and a charming personality

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